Hawaii Community
Development Authority
1999 Annual Report



### Letter to the Governor



The Honorable Benjamin Cayetano Governor State of Hawaii

Dear Governor Cayetano:

We are pleased to present to you the Hawaii Community Development Authority's (HCDA) Annual Report for the 1998-99 Fiscal Year. This report summarizes the accomplishments and activities of the Authority as we proceed with the revitalization of the Kakaako District. Our major goal is to create a model urban community. We are working to attain an attractive, safe and conveniently located community that provides for essential needs—housing, recreation, and places to work, shop and socialize. The task is not an easy one, but we firmly believe that our vision is achievable.

The HCDA continued its ambitious program to revamp and expand the capacities of the aging network of utilities and roadways in Kakaako. The Kakaako infrastructure improvements are bringing positive changes to the District and are essential steps in the rebuilding and revitalization of Kakaako. In addition, the revamped infrastructure in Kakaako is an important and strong stimulant for private sector development, as demonstrated by the projects that have been built following the HCDA's infrastructure improvements. These improvements are necessary to ensure a finer quality of life for businesses and residents, while making future development of the District possible. After concentrating on infrastructure improvements in Kakaako's Mauka Area for the past 13 years, the HCDA is now concentrating its efforts on improving the utility systems and roadways of Kakaako's Makai lands and waterfront.

We have plans to transform Kakaako Makai into a special gathering place and world-class center of activities for residents and visitors to enjoy. During the past fiscal year, the Authority adopted a revised development plan for Kakaako Makai. This Plan serves as a guide for the development of Kakaako Makai, one that will help us attain valuable social and economic benefits for the people of Hawaii. The State's ownership of the majority of land in Kakaako Makai, along with the HCDA's zoning and unique development capabilities, are helping to ensure that our vision for the area can come to fruition. Private development of the Kewalo Basin waterfront area, a world-class aquarium, a children's theater, and enhancements to Kakaako Waterfront Park are activities on the HCDA's horizon.

As the HCDA continues on its mission in Kakaako, we would be remiss in not acknowledging the invaluable contributions and support of many individuals and organizations—the State administration and Legislature, other government agencies, community groups, private developers, concerned citizens and, surely Kakaako's lifeline, its landowners, business people and residents. Our task ahead will only be successful with their continued participation and support.

Respectfully yours,

Olhi lunn L dum

Lori Ann C. Lum Chair Hawaii Community Development Authority



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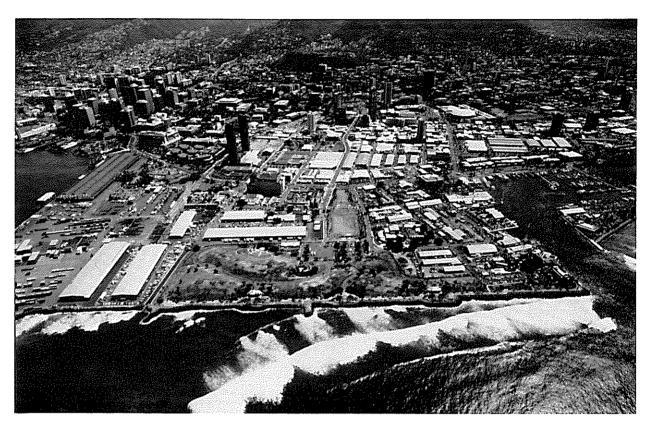
### ... an agency capable of supplementing traditional

community renewal methods, with the ability to stimulate

and coordinate public and private sector community

development efforts...







n 1976, the State Legislature created the Hawaii Community Development Authority to plan for and revitalize urban areas in the State which lawmakers determined to be in need of timely redevelopment. These areas, designated as "Community Development Districts", are judged to be underused and deteriorating. Moreover, these districts have the potential of greatly fulfilling the needs and desires of Hawaii's people and contributing to the economic well being of the State.

The Kakaako area of Honolulu was designated by the Legislature as the HCDA's first Community Development District in 1976, recognizing its potential for increased growth and development and its inherent economic importance to Honolulu as well as the State. Lawmakers found that Kakaako was underdeveloped

and underutilized relative to its central location in urban Honolulu. The Legislature foresaw that the redevelopment of Kakaako would offer tremendous opportunities to address the need for more housing, parks, open areas, and new commercial and industrial space in the urban core.

The Kakaako Community
Development District currently includes:
670 acres of land bounded by Piikoi, King,
Punchbowl Streets and Ala Moana
Boulevard; the stretch of waterfront from
Kewalo Basin to Pier 4 in Honolulu
Harbor; and the Hawaiian Electric power
plant site in downtown Honolulu. Today,
the District is largely composed of retail
and commercial businesses, wholesale and
semi-industrial companies, and single and
multi-family residences.



By virtue of its legislative mandate, the HCDA is empowered as a unique and innovative agency with comprehensive planning, development and financing responsibilities. The HCDA is able to go beyond traditional community renewal methods and to facilitate and participate in community development efforts that unite the public and private sectors.

An intensive five-year planning process preceded the adoption of the HCDA's Kakaako Community Development District Plan in 1982. This Plan and associated rules serve as a basis for guiding both public and private development activities in the revitalization of Kakaako. The Plan was subsequently amended to include the Kakaako waterfront area and is currently comprised of two documents—Mauka Area Plan and Makai Area Plan. These serve as the basis for guiding both public and private development activities in the revitalization of Kakaako.

#### **Barbers Point Naval Air Station**

The 1997 State Legislature established the Barbers Point Naval Air Station Redevelopment Commission to serve as the local redevelopment authority for property at Barbers Point that has been declared surplus as a result of a Federal base realignment and closure process. The Legislature assigned the staff of the HCDA to assist the commission in its redevelopment activities. Since that time, the HCDA has provided advisory support and assistance to the commission in initiating infrastructure studies.

### **HCDA** Organization

The HCDA is established as a public corporate entity attached to the Department of Business, Economic Development & Tourism for administrative purposes. The HCDA's board of directors is composed of 11 voting members from the private and public sectors who oversee the HCDA operations and establish policies to implement the legislative objectives. Four members are ex-officio, voting members from the following State departments: Accounting and General Services; Budget and Finance; Business, Economic Development & Tourism; and Transportation. The Governor appoints four members at large and three are appointed by the Governor from names submitted by the Council of the county in which a community development

district is situated. The HCDA Executive Director serves as the chief executive officer and is appointed by the Authority members. The HCDA staff includes personnel from several professional fields including planning, engineering, architecture, development, finance, public information and administrative services.

### Kakaako: A History of Change

Kakaako's unique story over the past century is one that is remarkable for the dramatic changes that have transpired. From the early settlement of the area by ancient Hawaiians and the integration of seamen and whalers, to its residential nature and later industrialization, Kakaako has been developed and redeveloped to meet the social and economic needs of the larger urban community on Oahu.

In the 1800s, Kakaako was called "Kookau Kukui", which translates as "Where the Lights Were Lighted". Kakaako has come a long way from being a swampland or submerged underwater. This area was filled, developed and redeveloped over the years. From the early 1900s until World War II, Kakaako was an important and thriving community of residents with an array of businesses, schools, churches, a movie house, public parks and other uses typically found in larger neighborhoods. By 1940, Kakaako's population had reached about 5,000 residents. However, rezoning of the area in the early 1950s caused a rapid decline in the residential population as other neighborhoods formed in Honolulu and manufacturing and industrial activities moved into Kakaako. In the ensuing years, Kakaako changed from a residential neighborhood to a primarily industrial area, and finally to an economic center of varied commercial and service activities.

Prior to the creation of the HCDA, Kakaako had remained relatively underutilized and underdeveloped. It had gained a certain notoriety for its deteriorating melange of streets, utilities and sprinkling of ramshackle structures. State lawmakers were concerned about the efficient use of existing urban lands in Hawaii, and they recognized Kakaako's potential to become an economically and socially viable community providing a range of public benefits.

In creating the HCDA, the Legislature set directions for Kakaako's revitalization and development. They

envisioned a mixed-use district where residential, commercial, industrial, and public uses would coexist compatibly. Lawmakers also believed it important to respect and support the present functions of Kakaako as a major economic center. The Legislature believed Kakaako could provide:

- improved infrastructure and public facilities:
- increased housing opportunities for all segments of the community;
- increased business (commercial and industrial) opportunities;
- · increased economic activity; and
- increased public recreation and open space.

### HCDA's Goals for Kakaako

The HCDA's overall mission is to ensure that the Kakaako District is invigorated and established as a dynamic urban neighborhood that accommodates an exciting mix of people with a wide spectrum of business activities. Through Kakaako's redevelopment, the State's economy is being enhanced with new business growth and opportunities and the new job opportunities that are being created. The HCDA's goal is to create a conveniently located community that is attractive and safe, with the ability to provide for housing, recreation, and places to work, shop and to socialize. As envisioned in the Kakaako development plan, the District will represent the best of Honolulu's destiny—a bustling residential and business center during the day and an exciting area for leisure activities at night. The HCDA is working to ensure that the Kakaako District accommodates and encourages a combination of open space and parks with well-planned commercial, industrial and residential development, including affordable housing.

Public and private sector investment in Kakaako is generating new retail establishments and office space, a variety of restaurants and entertainment, and infrastructure to support the services, growth opportunities and quality of life that are distinguishing Kakaako as a desirable urban neighborhood. Kakaako is once again becoming a vibrant and cohesive community. To ease traffic congestion and make Kakaako a safer and more attractive environment, the HCDA is improving roadways, constructing new sidewalks and beautifying the streetscape with the planting

of trees and landscaping.

The State's ownership and control of the majority of land in Kakaako's Makai Area and waterfront give the HCDA the opportunity to create a premier gathering place, a world-class center focusing on recreational, cultural, commercial and maritime activities. On Kakaako's Makai lands, the HCDA has provided over 41 acres of new park lands and open space, making miles of shoreline accessible to residents. With the initiation of \$36 million of infrastructure improvements and a proactive strategy to develop new cultural, educational, recreational, and entertainment facilities, along with new commercial and business opportunities, Kakaako Makai is destined to become a popular attraction for residents and visitors, while providing a strong stimulus for the State economy.





### **Regulatory Functions**

Since the adoption of the Kakaako Plan in 1982, the HCDA has performed regulatory functions to ensure that any development occurring in the District meets the provisions of the Kakaako Plan. The HCDA regulates planning, land use, zoning, and development of land within the Kakaako District. The Plan includes specific requirements and restrictions relating to height, density, building setbacks, front yards, open space, view corridors, streetscapes, landscapes and tower footprints. Additionally, the Plan contains schemes for transportation, open space and recreation spaces, public facilities, infrastructure, and relocation. The HCDA processes permits for major planned development projects as well as for smaller (base zone) projects and building renovations.



HCDA's
Improvement
District
Program:
Inroads to the
"New" Kakaako

... laying the groundwork for a dynamic urban

neighborhood that accommodates an exciting mix of

people with a wide spectrum of business activities...





n the past, Kakaako was best characterized as an area with: severe flooding during times of rain; narrow, irregular roadways; and deteriorating and substandard sewer, water, and drainage systems. On some streets, there were no sidewalks or pedestrian walkways and parking was haphazard and often illegal. In addition to being an eyesore, a threat to public safety and a general nuisance to the District's businesses, residents and visitors, the inadequate infrastructure has been a serious roadblock to the development of new projects in Kakaako. The obsolete network of roadways and utility systems-much of which were installed over 75 years ago had seriously impeded redevelopment of the District.

One of the Hawaii Community Development Authority's (HCDA) primary responsibilities is the planning, engineering and construction of infrastructure improvements in Kakaako. The Authority's ongoing infrastructure improvements program is dramatically improving the performance and capabilities of the District's roadways and utilities. These improvements also bring the positive benefits of encouraging private sector development and investment in Kakaako.

The HCDA initiated its
Improvement District (ID) Program to deal
with the serious infrastructure problem in
Kakaako. Roadways and utility systems are
essential elements for any community to
function and grow. A community's
infrastructure system must be in good
operating condition and be able to
accommodate the present and future needs
of its residents, businesses, landowners, and
visitors.

Anyone passing through Kakaako since 1986 has probably become aware of the scale and extent of infrastructure improvements being undertaken in the District. HCDA's Improvement District Program is accomplishing the systematic improvement of Kakaako's network of streets and utilities. The ID Program is being employed to reconstruct and/or widen

streets with new curbs, gutters, pavement and sidewalks. The HCDA is reconstructing Kakaako's roadways to make them safer and better able to accommodate both present and future traffic and pedestrian flow. Sidewalks, curbs, pavement and gutters have been installed in areas where previously there were none.

Drainage, sewer and water systems are being repaired and expanded. Telephone, electric and cable television systems are also being expanded and moved underground to improve the Kakaako street environment. To date, the HCDA has completed five Improvement District Projects and construction work on a sixth project was started during the 1998-99 Fiscal Year. (See chart in this section for a summary of each project.)

State government, Kakaako property owners and the public utility companies share the total cost of infrastructure improvements under the HCDA's ID Program. Government pays for the greater share of the cost because the general public derives benefits from the improvements. For example, a major public cost involves improvements to the drainage system. In the first four ID projects, the majority of the construction cost was for major drainage systems that run through Kakaako and serve the Punchbowl and lower Makiki areas. Since these drainage improvements benefit out-of-District as well as Kakaako property owners, a substantial amount of the cost cannot be assessed on the properties within Kakaako.

Kakaako's landowners are assessed only for improvements that specially benefit them. In implementing each improvement district project, the Authority may arrange for the sale of assessment area bonds to provide financing for property owners who are being assessed. Through this arrangement, landowners have the option of paying for their assessments in installments over a period of up to 20 years with interest.

The massive scale of the ID projects makes it imperative for the HCDA to inform all affected property owners and recorded lessees of the proposed improvements prior to actual construction. This process involves individual meetings, a public informational meeting and two public hearings. The entire process, from the preliminary engineering and design work to the completion of the

project, typically extends over a two- to three-year period. Throughout the course of any ID project, the HCDA strives to complete construction activities as expeditiously as possible, while ensuring public safety and minimizing the disruptions and inconveniences to the businesses and public to the greatest extent possible. HCDA staff responds to problems on a case-by-case basis as they occur. The Authority uses flyers, the HCDA newsletter and website, and informational meetings to keep merchants, residents, and landowners informed of construction activities

### <u>Kamakee Street Improvements Project</u> (Improvement District 4)

The Improvement District 4 (ID-4) Project was officially completed in June 1999. This project involved infrastructure improvements on Kamakee Street, between Kapiolani Boulevard and Queen Street. Similar in nature to the previous improvement district projects, ID-4 construction work included the installation of drainage, water, sewer, and roadway improvements, and the undergrounding of existing overhead utility lines.

The HCDA employed several new measures in ID-4 to reduce the impacts to businesses and to alleviate the consequences of construction noise, dust and difficult access on day-to-day operations. To assist ID-4 area businesses, the Authority allowed the deferral of assessments until six months after the completion of construction to assure property owners that construction work will be substantially completed before any assessments are collected. Construction activities were closely monitored and phased during ID-4 to minimize disruption to businesses. To the greatest extent possible, the more complicated work was concentrated on one segment and one side of the street at a time. Installing sidewalks and pavement on a block-by-block basis minimized dust in the area and allowed businesses partial use of the improvements while construction occurred. The HCDA worked with ID-4 area businesses, residents and permitting agencies to phase construction work during "non-standard" hours, generally between 12 noon and 9:30 p.m. on weekdays. By beginning construction work at mid-day, merchants are allowed to schedule their work accordingly and operate in a





### HCDA's Improvement District Projects

IMPROVEMENT DISTRICT 1

Location:

About 100 acres bounded by Punchbowl, King, Cooke, Queen, South & Auahi Streets, and Ala Moana Boulevard.
Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone and CATV lines. Work

Cost Completed: September 1988

IMPROVEMENT DISTRICT 2

About 110 acres bounded by Keawe, Auahi, Coral, Pohukaina, Cooke and Ilalo Streets to the ocean. Location: Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone and CATV lines. Work:

Cost: Completed: October 1990

IMPROVEMENT DISTRICT 3

About 60 acres involving portion of Cooke Street, Kapiolani Boulevard, Halekauwila, Keawe, Coral, Victoria & Curtis Street ocation: Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone and CATV lines.

Work: Completed: October 1993

KEWALO BASIN IMPROVEMENTS

Improvements to Kewalo Basin access, interior roadways, grade-separated promenade, bus lanes, parking. \$2.4 million

Cost: Completed: August 1995

IMPROVEMENT DISTRICT 4

Kamakee Street (from Kapiolani Boulevard to Queen Street)

Improvements to roadways, drainage, sewers, water systems and the undergrounding of electric, telephone and CATV lines. Work:

Cost: Completed: June 1999

IMPROVEMENT DISTRICT 5 (Kakaako Makai Gateway)
Location: Cooke Street (between Ala Moana Boulevard and Ilalo Street); block bounded by Ala Moana Blvd., Cooke, Ilalo and Ohe Streets

and block immediately Makai of Ilalo Street and Ewa of Ohe Street

Improvements to roadways, drainage, sewer, and water systems and the undergrounding of electric, telephone & CATV lines; development of two-acre park & four-acre play field.

Completed: June 1998

Work:

IMPROVEMENT DISTRICT 6 (Ward Avenue Extension)

Location:

Ward Avenue (from Ala Moana Boulevard to the intersection of Ahui and Ilalo Streets)

Construction of a new roadway from the intersection of Ward Avenue and Ala Moana Boulevard to the intersection of Ahui and Ilalo Streets Work:

and roadway and utility system enhancements.

Constr. start: May 1999 Project Duration: 18 months

IMPROVEMENT DISTRICT 7 (Kamakee Street Extension)
Location: Kamakee Street, between Queen Street and Ala Moana Boulevard

Realignment of Kamakee Street and creation of a four-way signalized intersection at Ala Moana Boulevard and Ala Moana Park Road. \$12.4 million

Cost: Est. start: November 1999 Project Duration: 18 months

IMPROVEMENT DISTRICT 9 (Ifalo Street Improvements)

lialo Street, between Ahui and South Streets Widening and enhancements to Ilalo Street, from Ahui to South Streets; installation of new water, sewer and drainage systems; construction of Work:

Iways; new driveways, sidewalks, curbs and gutters; installation of new utility lines.

Cost: \$26 million Est. start: July 2000 Project Duration: 24 months

IMPROVEMENT DISTRICT 10 (Queen Street Improvements)

Queen Street, bet ween Kamakee and Waimanu Streets.

Improvements to the water, sewer, drainage, roadway, and electrical systems. Work:

Cost: \$11.6 million Est. start: July 2002 Project Duration: 24 months

> fairly normal fashion during the morning hours, without construction equipment on the roadways. The HCDA staff was present in the project area on a daily basis to serve as a liaison between the Authority and businesses, and to deal with problems on an individual basis. Through in-the-field and one-to-one contact, the HCDA was better able to keep merchants and residents informed of pending roadway and utility system improvements as they were scheduled to occur in the area.

### A "Gateway" to the Kakaako Waterfront Park

The Kakaako Makai Gateway Project (Improvement District 5)—the expansion of the Kakaako Waterfront Park-was officially blessed and dedicated during a ceremony held in conjunction with Children and Youth Day on October 4, 1998. An estimated 10,000 people attended the First Annual Children and Youth Day event held on the new festival grounds of the Kakaako Waterfront Park, located on land bordered by Ala Moana Boulevard and Cooke, Kelikoi and Ohe Streets. This attractive six-acre park expansion now serves as a "gateway" to the Kakaako waterfront.

The \$6.7 million Kakaako Makai Gateway will play a crucial role in the State's plan to transform Kakaako's Makai Area and waterfront into a world-class center of activities to be enjoyed by Hawaii's families and visitors. The project has created an exciting view corridor from Ala Moana Boulevard to the Kakaako waterfront. The park expansion provides landscaped lawns ideal for recreational and social activities, and it offers other opportunities that will contribute to the active and attractive people-oriented place planned for Kakaako's Makai Area.

The ID-5 Project improved the roadway and utility systems on Cooke Street, between Ala Moana Boulevard and Ilalo Street, providing direct access into the Kakaako Waterfront Park. Infrastructure improvements on Cooke Street included: the installation of new water, sewer and drainage systems; the construction of new driveways, sidewalks, walkways, curbs, gutters and street lights; and the relocation of existing overhead utility lines underground. A two-acre passive park was developed on the block bounded by Ala Moana Boulevard, Cooke, Ilalo and Ohe Streets, and a four-acre festival grounds with a comfort station was constructed on the block immediately Makai of Ilalo Street and Ewa of Ohe Street.

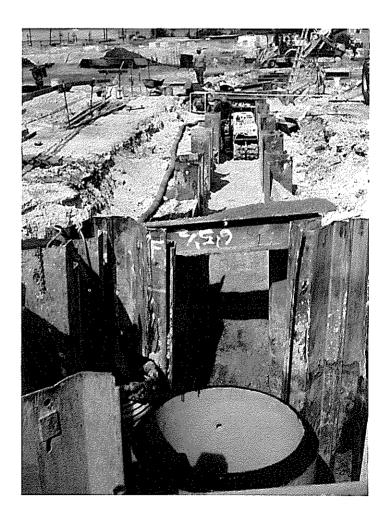
### Ward Avenue Extension Project (Improvement District 6)

Construction on the Ward Avenue Extension Project—the first phase in the development of new and enhanced roadways and utility systems in Kakaako's Makai Area-began in May 1999. This \$7 million public works project will construct a new roadway from the intersection of Ward Avenue and Ala Moana Boulevard to the intersection of Ahui and Ilalo Streets. The roadway and utility system improvements being constructed for the Ward Avenue Extension will facilitate the redevelopment of Kewalo Basin's Ewa edge and the surrounding area, playing a crucial role in the State's plan to transform Kakaako's Makai Area and waterfront into a worldclass center of activities to be enjoyed by

Hawaii's families and visitors. It will provide the necessary infrastructure to support the creation of a beautiful, active area in Kakaako Makai for recreation, cultural activities, shopping, waterfront restaurants, and entertainment. The Ward Avenue Extension Project will greatly improve vehicular and pedestrian access and circulation and establish a streetscape theme for Kakaako Makai. This project is scheduled for completion in July 2000.

### Kamakee Street Improvements Project (Improvement District 7)

A groundbreaking ceremony was held in October 1998 to commemorate the second phase of planned infrastructure improvements to Kamakee Street. (However, due to the resolution of bidding issues, construction on this project did not start until November 1999.) The 1997 State Legislature appropriated \$11.1 million in Capital Improvement Project (CIP) funds to the HCDA to fund the realignment and infrastructure improvements to a portion of







Kamakee Street, from Queen Street to Kewalo Basin. This project, called ID-7, will complete the installation of the last major drainage system in the Mauka portion of Kakaako. It will realign Kamakee Street (between Auahi Street and Ala Moana Boulevard) and create a four-way signalized intersection at Ala Moana Boulevard and Ala Moana Park Road. The ID-7 Project will improve traffic circulation through the Kakaako District and create a new, direct link between Ala Moana Beach Park and Kakaako. Construction is expected to take about 18 months to complete.

### <u>Ilalo Street Improvements</u> (Improvement District 9)

The HCDA worked on the engineering design for the proposed Ilalo Street Improvements Project during the 1998-99 Fiscal Year. This project will involve infrastructure improvements to Ilalo Street, from Ahui Street to Forrest Avenue (South Street).

Currently, infrastructure in Kakaako's Makai Area is inadequate and improvements are required to support development of the area. To facilitate development of Kakaako Makai Area lands and redevelopment of the Kewalo Basin waterfront area, the HCDA is planning this project to widen and improve Ilalo Street and to create an extension to Forrest Avenue (South Street). The 1997 State Legislature appropriated \$36.3 million to the HCDA to construct infrastructure improvements in Kakaako Makai. Ilalo Street is planned to be a beautifully landscaped boulevard that would serve as the principal collector street for the Makai Area. Ilalo Street would also provide an attractive and comfortable pedestrian environment. Proposed improvements will include: the installation of new water, sewer and drainage systems; construction of the new roadway; new driveways, sidewalks, curbs and gutters; and the installation of new utility lines. The first public hearing on this project was held on October 13, 1999 and the tentative construction start date is July 2000. Construction is slated for completion in June 2002.

### Queen Street Improvements (Improvement District 10)

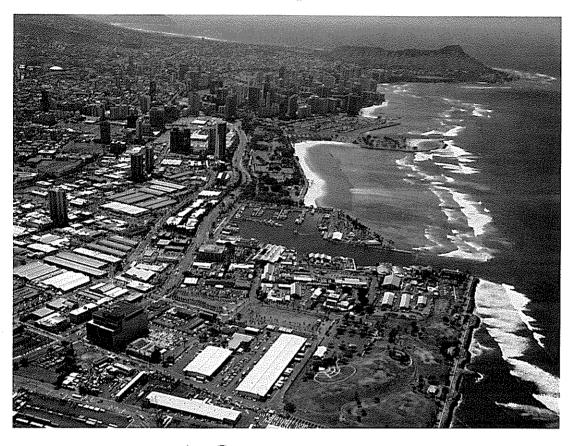
The 1999 State Legislature appropriated \$9.6 million to the HCDA for infrastructure improvements on a portion of Oueen Street, between Ward Avenue and Waimanu Street. The HCDA's long-term plan for Queen Street is to improve the water, sewer, drainage, roadway, and electrical systems in Queen Street between Ward Avenue and Waimanu Street. Initially, the \$9.6 million appropriation, along with \$2 million of HCDA revolving funds, will allow the HCDA to complete the design work for the entire project and to construct the extension of Queen Street from Kamakee Street to Waimanu Street. The new infrastructure will improve services to property owners in the area and provide added capacity for future private development.

Current studies show that traffic along Ala Moana Boulevard will continue to degrade unless alternate routes are developed. The HCDA has long designated Queen Street as an alternate route to Kapiolani and Ala Moana Boulevards. Presently, sidewalks, curbs and gutters are needed to accommodate both vehicular and pedestrian traffic safely through the District. The proposed roadway improvements will make the area more accessible and safer, and enhance its development potential. Tentative plans are to start construction on this project by January 2002, and the construction period is an estimated 24 months.

### ...reclaiming and transforming

### Kakaako's shoreline and waterfront lands

into a magnificent new public place...





awaii is favorably known worldwide for its beautiful beaches and spectacular shorelines. Being totally surrounded by water, Hawaii's people have always enjoyed a special relationship with the sea. However, until the completion of key HCDA projects, Kakaako's shoreline and waterfront lands were sadly neglected and wasting away. Recognizing the significance and inherent value of Kakaako's waterfront-and guided by the State's long-range blueprint for revitalization of the six-mile stretch of urban coastline from Ala Moana Beach Park to the Honolulu International Airport—the HCDA has focused much effort over the past two decades in reclaiming and transforming Kakaako's waterfront lands into a magnificent new public place. Development of the Kakaako District's Makai lands and waterfront is surely one of the State's most important and exciting projects in terms of

the remarkable social, recreational and economic benefits it can bring to the Kakaako District and the people of Hawaii. Kakaako Makai is an extraordinary place that offers immense potential. It offers a place where land meets the waterfront, where islanders and visitors can enjoy the serene beauty and tranquility of lands centrally located in the urban core. No less important, Kakaako Makai provides the means to accommodate the expanding recreational, educational, cultural and commercial needs of Honolulu's residents, as well as serving the maritime and economic requirements of the State.

Kakaako Makai is comprised of 227 acres of land below Ala Moana Boulevard, from Kewalo Basin to Aloha Tower. A substantial portion (200 acres) of the land is owned and controlled by the State of Hawaii. It contains an abundant, scenic



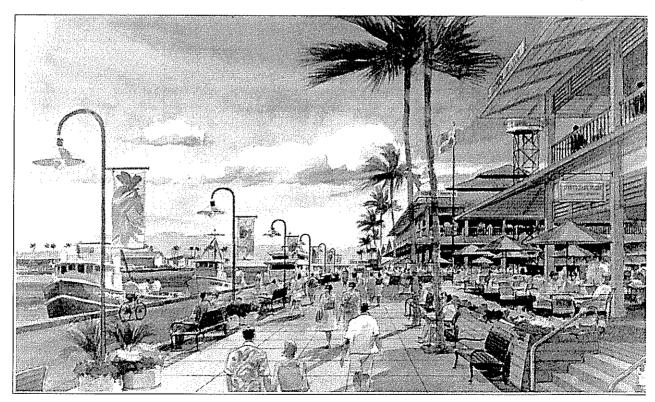
stretch of ocean frontage and is centrally located between downtown Honolulu and Waikiki. Kakaako Makai could provide substantial amenities through the development of civic, cultural and recreational facilities. The HCDA is working to create an attractive and vibrant people-oriented place and a world-class waterfront at Kakaako Makai. The Makai lands also give the public an opportunity to realize financial rewards through the leasing of lands for private development.

## The New Kakaako Makai Plan Sets the Groundwork For An Exciting and Beautiful Gathering Place

In August 1998, the Authority adopted the revised Kakaako Makai Area Plan and Rules, a document that sets the framework for development of Kakaako's Makai Area (including the Kakaako waterfront) into a vibrant and attractive "gathering place" for Hawaii's residents and visitors. The adoption followed months of review of the former Makai Area Plan and public input on the revised document. The new plan became effective with Governor Benjamin Cayetano's approval in September 1998.

The revised documents call for the creation of remarkable amenities in Kakaako Makai, including an abundance of parks and open spaces, spacious tree-lined streets and sidewalks that enhance and enrich Hawaii's outdoor environment. Under the new plan, a variety of new developments could be developed, including an enhanced waterfront park, maritime uses along the harbor, restaurants, seafood markets and entertainment along Kewalo Basin, a children's museum and a theater for performing arts, a world-class aquarium, and commercial development of the interior areas. Public open spaces, cultural facilities and amenities would also distinguish the Makai Area as a place dedicated to the people of Hawaii.

The new Makai Area Plan's larger goal is to diversify Hawaii's economy while establishing a special people-oriented place. Under the plan, a substantial portion of the Makai Area would be used for public enjoyment and access to the waterfront. A portion of State-owned lands is earmarked for commercial development and the revenues generated would help support the public parks and other amenities. In configuring the location of permitted activities in Kakaako Makai, the HCDA maintained a central corridor of park lands.



### Makai Area Proiects

#### Kewalo Basin Park

A five-acre scenic shorefront park located in Kewalo Basin. Includes a pedestrian promenade, observation areas, trellised picnic area, reconstructed seawall, comfort station and shower facilities and a new net shed. Completed in 1990.

Kakaako Waterfront Park/Phase 1
Thirty acres of passive recreational park space built on a former landfill site. Includes contoured rolling landscaped mounds, a scenic pedestrian promenade spanning the length of the park, comfort stations and picnic areas, five oceanfront observation areas, a community amphitheater, and two protected water access points. Completed in 1992.

#### Kewalo Basin Harbor & Park Improvements

Improvements facilitate and enhance access, traffic circulation and parking within the Kewalo Basin harbor area. Includes a pedestrian promenade along the Mauka and Diamond Head pier face. Completed in July 1995.

#### Children's Discovery Center

HCDA completed remediation and structural stabilization of the former Kewalo Incinerator for use as a children's museum. The Children's Discovery Center (CDC) completed extensive construction work, additional structure work, tenant improvements, exhibit fabrication and landscaping work. HCDA's work was completed in September 1995. The CDC opened in December 1998.

#### Kakaako Makai Gateway Project

Creation of a scenic gateway to, and extension of, the Kakaako Waterfront Park with the addition of an attractive six-acre park. Also involves infrastructure improvements on a portion of Cooke Street, including roadway, drainage, sewer and water system enhancements, and relocation of electric and telephone lines underground. The project also includes a two-acre passive park and a four-acre play field. Completed in mid-1998.

### Ala Moana Sewage Pump Station Project

HCDA has selected a developer to transform the former Ala Moana Sewage Pump Station into a complex incorporating a signature restaurant and outdoor marketplace. Planned for opening in June 2001.

<u>Kakaako Brownfields Project</u> A "brownfields" environmental study of lands in Kakaako's Makai Area to evaluate whether contamination exists on State-owned parcels in Kakaako Makai. Completed in June 1999.

#### Kakaako Aquarium Study

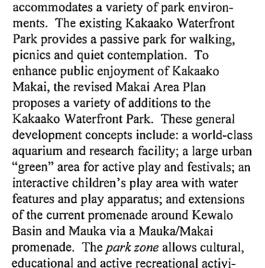
A study of the feasibility of developing a world-class aquarium facility in the Kakaako Makai Area near Kewalo Basin and the Kakaako Waterfront Park

#### Kakaako Waterfront Park Enhancements

Preparation of a new master plan for the Kakaako Waterfront Park that could accommodate new cultural attractions and a broad range of amenities such as water features, works of art, interpretative walks and gardens, a carousel, and innovative children's play areas. Authority approval of Master Plan and initiation of the first phase of park improvements to follow in early 2000.

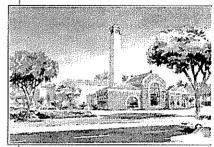
### Kewalo Basin Land Development

Considering development proposals for 18 acres of prime, Kakaako Makai State-owned waterfront properties zoned for retail, office, entertainment and restaurant uses

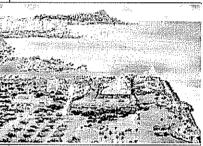


The commercial zone, encompassing about 54 acres of land, permits a wide range of commercial land uses such as high technology offices and retail establishments. The industrial mixed-use zone, covering 62.3 acres, supports maritime activities and





Ala Moana Pump Station Project



Kakaako Aquarium conceptual illustration.

The Kakaako Waterfront Park has been extended to Ala Moana Boulevard to enhance its visibility and reinforce its prominence as a major public park that will serve as a centerpiece for adjacent commercial developments.

Public access to the Kakaako waterfront is a high priority in the new Kakaako Makai Area Plan and one mile of shoreline is dedicated to park use. Maritime activities are also a priority, and the Plan reserves land in the Fort Armstrong area and along Piers 1 and 2 for maritime uses. Kewalo Basin would give the public the opportunity to view and enjoy the working wharf aspect of the waterfront. Fishing and tourism-related activities would remain at Kewalo Basin, although there are plans to relocate certain fishing services to Honolulu Harbor.

Park, commercial, industrial, waterfront commercial, and public activities are allowed in land use zones established in the revised Makai Area Plan. A park zone



facilities within Honolulu Harbor as well as limited commercial activities. Typical uses in this zone include a proposed cruise ship passenger terminal at Pier 2 and container yard areas within Fort Armstrong. A waterfront commercial zone, encompassing 22.7 acres, allows commercial activities and fishing and boating services along the edges of Kewalo Basin. The public zone sets aside land for existing public uses such as the U. S. Immigration Station, the Department of Health building and the current Ala Moana Pump Station.

The new Makai Area Plan emphasizes pedestrian movement through the area, in keeping with the vision of the Kakaako waterfront as a people-oriented place. Pedestrian promenades would run along the waterfront and along Cooke Street. Ilalo Street is designed to be a major strolling and shopping corridor with large shade trees, generous sidewalks and street furnishings. To increase non-vehicular access to Kakaako Makai from Downtown Honolulu. Ala Moana Park and Kakaako's Mauka Area, the Plan includes a bikeway system within the Makai Area that will ultimately connect the Kakaako Waterfront Park to Ala Moana Beach Park.

### CURRENT AND FUTURE KAKAAKO MAKAI DEVELOPMENTS

### The New Children's Discovery Center Opens

Offering innovative exhibits and learning experiences for children, the new Children's Discovery Center was opened to the public in December 1998. The new Center is operated by a private, nonprofit organization. Fronting a prime corner of the Kakaako Waterfront Park, the CDC is now a popular attraction in Kakaako Makai, offering interactive exhibits that teach children about culture, science and technology. For this facility, the HCDA completed remediation and structural stabilization work on the former Kewalo Incinerator for leasing to the CDC to be used as a children's museum. The CDC renovated the 17,000 square foot structure and added 20,000 square feet of new floor space and exhibition areas.

### Exciting New Development Planned for the Ala Moana Pump Station Site

The HCDA has selected a developer to develop the former Ala Moana Sewage Pump Station. The developer has proposed transforming the site into a complex incorporating a signature restaurant and outdoor marketplace. The Weiser Companies, Inc.'s development scenario calls for the historic pump station building at Ala Moana and Keawe Street to be leased from the HCDA and renovated for the new development. By the close of the 1998-99 Fiscal Year, the developer was negotiating with a well-known restaurateur to build a restaurant/café complex on the site. The Weiser Companies, Inc.'s intention is to transform the site into a signature development including a 10,000 square foot grand café restaurant, a 3,000 square foot marketplace, and over 2,000 square feet of outdoor/ patio dining area. The marketplace could include the retailing of produce, flowers, plants, crafts and food products. The developer would like to start construction on the \$5.6 million project by May 2000, with the grand opening tentatively slated for June 2001.

The HCDA recognizes that the development of the Ala Moana Pump Station site will create new cultural opportunities, jobs, tax revenues and other economic benefits. The Weiser Companies, Inc.'s development is expected to attract and generate activity, promote pedestrian interaction and enliven the Kakaako Makai Area. The former Ala Moana Sewage Pump Station site currently contains three historic structures built in 1900 and 1938.

### A World-Class Kakaako Aquarium

A world-class aquarium in Kakaako's Makai Area could serve as the focal point of the District's waterfront area and could create an economic anchor for waterfront development there. These were some of the conclusions of an initial feasibility study released by the HCDA in October 1998.

The study examined the feasibility of developing such a facility in the Kakaako Makai Area near Kewalo Basin and the Kakaako Waterfront Park. The vision for Kakaako Makai includes an active, attractive family-oriented gathering

place offering a core of world-class public facilities and private commercial development for Hawaii's residents and visitors. A possible anchor development could be a world-class aquarium. This new facility would incorporate and expand upon the present Waikiki Aquarium and complement the adjacent Children's Discovery Center and six-acre expansion to the Kakaako Waterfront Park. A new aquarium facility could be a learning place for Hawaii's children and a new attraction to keep visitors returning to Hawaii.

The initial aquarium study concluded that a world-class aquarium facility in Kakaako Makai could attract 900,000 visitors in its first year, and 750,000 each year thereafter, generating enough revenue to pay for operations and service a significant amount of debt. The aquarium is envisioned to have indoor and outdoor exhibits. An 800,000-gallon open-ocean exhibit could be an underwater observatory. If the aquarium were to be combined with the major ocean research institutions currently in Kakaako's Makai Area, the State could offer a major center for marine research and education.

The final phase of the Kakaako Aquarium study is scheduled to be completed in conjunction with the formation of an organizing group.

### <u>Development Proposals for</u> <u>Kakaako Waterfront Lands</u>

During the 1998-99 Fiscal Year, the HCDA solicited and considered proposals for the development of approximately 18 acres of Honolulu's premier urban waterfront property located at Kakaako Makai. The five State-owned properties offered for development have over 1,300 feet of ocean frontage with dramatic views of Waikiki and Diamond Head. The properties are zoned for retail, office, entertainment and restaurant uses and have the potential for 1.34 million square feet of commercial space. The HCDA encouraged developers to pursue one or all five sites, or portions thereof, either independently or teamed up with other developers.

Nine development teams responded to the HCDA's Request for Qualifications in July 1998. The Authority selected six of the nine teams to a "short list" in December

1998. The six teams presented their development concepts to the HCDA in February 1999 and the Authority selected four teams after evaluating the proposed development concepts for appropriateness and conformance to the Makai Area Plan and to the HCDA's specific development objectives for the State properties in Kakaako Makai. These development teams were: ACDG, LLC (Ohana Foundation); Imperial Associates: Kewalo Project Development, Ltd.; and Victoria Ward, Limited. ACDG, LLC proposed the development of a high-technology park that would include 700,000 square feet in three towers around the Children's Discovery Center. The buildings would include an education/training center, research and development center, and incubator space for start-up companies. Imperial Associates' concept was to develop "Kewalo Waterfront Village", a complex that would include a biotechnology research center, retail shops, farmer's market, and a fish market. It would also include a cultural/education facility. Kewalo Project Development, Ltd.'s proposal was for a "family-friendly" mixeduse development offering recreation, shopping and dining opportunities. It would include an open-air restaurant. Ferris wheel. carousel, championship mini-golf course and places for tour boats. Victoria Ward Ltd. proposed developing the Fisherman's Wharf restaurant site for retail, entertainment, a restaurant and farmer's market.

A formal Request for Proposals (RFP) was issued to the four teams on March 4, 1999. Imperial Associates and Kewalo Project Development, Ltd. were scheduled to make presentations on their development proposals to the Authority and the public in July 1999. The Authority was scheduled to make a selection decision in August 1999.

### <u>Developing a Kakaako Waterfront Park</u> <u>Master Plan To Create a One-Of-A-Kind</u> Urban Park

The HCDA is preparing a master plan for the Kakaako Waterfront Park to create a one-of-a-kind urban park that will





become an attraction and resource for the residents of Hawaii. The Kakaako Water-front Park today generally supports passive recreation, with its picnic areas and promenade along the waterfront. By planning for future improvements to the park, the State has an unprecedented opportunity to revitalize the waterfront area, establish a unique gathering place, and complement future commercial development on adjacent State-owned lands. This could be accomplished by accommodating new cultural attractions and a broad range of amenities.

To generate a broad range of new amenities and an integrated overall plan for the park, the HCDA conducted a design competition during the 1998-99 Fiscal Year. HCDA advertised for qualifications of park designers (including landscape architects and architects), who submitted examples of their work, including design of important public open spaces. Three firms were selected to prepare a conceptual master plan for the park. Each team submitted design concepts that were unveiled to the public and the Authority in early December 1998. An advisory panel was created to assist the HCDA with the technical evaluation of the proposals. On April 7, 1999, the firm of Wallace Roberts & Todd (WRT) was selected to work with the HCDA to develop a final master plan and to design the first phase of improvements for the Kakaako Waterfront Park.

WRT was chosen because its conceptual master plan design best met the State's criteria for improving the Kakaako Waterfront Park to meet the needs for recreation, social interaction and cultural enrichment. WRT chose the Hawaiian fishing net as the unifying theme for Kakaako Makai and the Kakaako Waterfront Park. Under this vision, the net stretches over the site, "catching" along its strands the District's major landforms, buildings, streets and paths, and the "knots" represent the potential gathering areas. Under this plan, the major cultural facilities are centered around the Children's Discovery Center, creating a critical mass of cultural and recreational attractions. Some of the team's suggested features include: an entry water feature; play fountain; boating lagoons; tidal pool; blowhole; a flying

carousel; amphitheater, a computerized interactive fountain; an expanded swimming cove or basin; public art throughout Kakaako Makai; a wind turbine monument; a wing canopy; and a civic plaza. The HCDA held public informational meetings in June 1999 to explain WRT's concept and to solicit public comments and input. The public feedback will be used to fine-tune the draft Final Master Plan set for presentation to the Authority and the public in late 1999.

### The Kakaako Brownfields Project

In June 1999, the HCDA was nearing completion of an environmental study of industrial lands in Kakaako's Makai Area. The initial soils analyses have essentially found no major environmental problems in the project areas. Through a \$90,000 grant from the U.S. Environmental Protection Agency (EPA), the HCDA was able to undertake a "brownfields" environmental study of ten sites in Kakaako's Makai Area. The Brownfields grant will play a critical role in allowing the HCDA to restore and safely develop the State-owned properties in Kakaako Makai. The EPA Brownfields grant was awarded to the State Department of Health (DOH) to assist the State's efforts to redevelop Kakaako Makai into a thriving, productive area. The HCDA received the grant from the DOH to evaluate whether contamination exists on the Stateowned land.

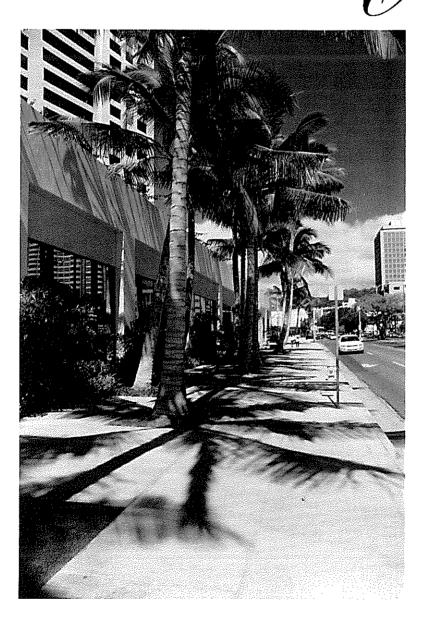
The Kakaako Brownfields study analyzed over 410 samples of the soil, sediment and water found on the ten sites. The data was compared to a variety of regulatory standards, including those of the EPA and DOH. The majority of the analyses indicated levels of possible contaminants at less than reporting or detection limits. This means that, in general, it does not appear that there are major environmental problems within the study area. The study identified some limited problem areas where elevated concentrations of metals and petroleum were found in soils. In those areas, remediation alternatives (removal or capping with soil or a permanent structure) are being considered and some groundwater issues are also being monitored.

### ...providing a dynamic neighborhood

with housing, recreation, and places

to work, shop and to socialize...

# Development in Kakaako's Mauka Area



ver the years since the creation of the HCDA, Kakaako is evolving as a vibrant, attractive and diverse community of people from all walks of life, coexisting with the neighborhood businesses and recreational facilities that serve them and the larger community.

One of the State's focal points has been the aggressive pursuit and development of affordable housing in Kakaako. To date, more than one-half of the housing units constructed in Kakaako under HCDA's guidance have been affordably priced units. The HCDA has developed, through alliances with other government agencies and the private sector, a total of about 1,100 affordable residential units in two family rental projects, three senior citizen rental projects, and a for-sale condominium project. (See accompanying residential projects chart.)

The pace of private development activity in Kakaako has slowed over the past decade, a direct result of the economic climate and market conditions in the State. The HCDA has endeavored to find ways of encouraging and facilitating development projects in the District. To this end, the Authority has modified and eased development restrictions and fees to stimulate new project construction.

During the 1998-99 Fiscal Year, the HCDA processed approximately 110 permits for smaller scale projects. Construction was substantially completed on the Nauru Phosphate Royalties (Honolulu) Inc.'s Hawaiki Tower project across the street from the Ala Moana Shopping Center. Hawaiki Tower, the next phase of the 404 Piikoi Street project, is a 46-story, 427-unit residential commercial condominium. This



\$97.9 million complex—the new home of KHON-TV—includes 1,034,720 square feet of building space, and commercial/retail space at grade level.

Other private sector projects constructed and/or completed in Kakaako during the 1998-99 Fiscal Year include: Victoria Ward Limited's Brew Moon, Pier 1 and Office Depot projects; and the Servco/Lexus Showroom on Kapiolani Boulevard.

### Pohukaina Mixed-Use Project

The 1997 State Legislature appropriated \$250,000 to the HCDA for the planning and design of a new elementary

### **HCDA Affordable Housing Projects** and Public Facilities. **Units** Project KAMAKEE VISTA Mixed-Use Family Rentals 225 **POHULANI** Mixed-Use Senior Rentals 262 NA LEI HULU KUPUNA 75 Senior Rental Housing KAUHALE KAKA'AKO Mixed-Use Family Rentals 258 HONUAKAHA Affordable Senior Rentals & For-Sale Condominiums 243 HONUAKAHA SENIOR CITIZEN/COMMUNITY 6,800 sf **CENTER**

school on the 6.8-acre site bounded by Pohukaina, Keawe and Halekauwila Streets and Mother Waldron Park. The HCDA is developing a master plan for the redevelopment of the Pohukaina School/Mother Waldron Park site in Kakaako, With the appropriation, the HCDA in 1998 conducted a charette to master plan the redevelopment of the former Pohukaina School and Mother Waldron Park site. The three proposed components for the site include developing an elementary school, constructing an affordable housing tower, and providing improved park and recreation facilities. The State Dept. of Education has pointed out a need for a new elementary school in the near future if housing development continues in Kakaako and nearby areas.

The charette process consisted of facilitated workshop meetings with the participation of Department of Education teachers and administrators, City Department of Parks and Recreation planners and park maintenance supervisors, and local housing providers and advocates. During the charette, public meetings were held to obtain feedback from neighboring residents, businesses and park users about the results of the work groups and to receive general comments. The HCDA held a community informational meeting on June 3, 1999 to present a proposed revised master plan for development of the former Pohukaina School site and improvements to Mother Waldron Park. Authority action on the Park Master Plan is tentatively scheduled for the first quarter of 2000, with preparation of schematic designs and park construction documents to follow.



Hawaii Community Development Authority STATEMENT OF APPROPRIATIONS, EXPENDITURES, ENCUMBRANCES AND BALANCES For Fiscal Year Ended June 30, 1999

LAPSED	,	3,912 394,215	ŧ	398,127
FUNDS		103,486 - 388,841 - 13,630,931 307,567	27,252,168	41,682,993
UNALLOTTED		- 7,539,655 17,014,830	ŧ	24,554,485
ALLOTMENTS			i	1
ENCUMBRANCES	5,994	14,230 3,846 514,822 20,000 198,612 735,169 - 9,279,284 0	365,707	11,668,366
EXPENDITURES	119,713	188 437 30,282 106,611 192,271 556,843 1,027,386 95,579 2,321,639 19,477,603	2,383,940	26,404,040
TRANSFERS		•	(13,532)	(13,532)
APPRN	125,707	(2,000,000) 17,800,000	4,044,507 1/	19,970,214
PRIOR YEAR AVAILABLE FUNDS 7/1/98	ı	14,667 34,128 621,433 319,669 1,149,670 2,151,396 95,579 34,771,509 19,000,000	25,970,840	84,751,329
	OPERATING FUNDS ACT 287, SLH 1996	Kakaako Community Development District ACT 300, SLH 1985 ACT 216, SLH 1987 ACT 299, SLH 1991 ACT 299, SLH 1991 ACT 289, SLH 1994 ACT 252, SLH 1994 ACT 278, SLH 1995 ACT 278, SLH 1995 ACT 278, SLH 1996 ACT 278, SLH 1997 ACT 116, SLH 1998 DELEGATIONS IMPROVEMENT DISTRICT BOND FUNDS	REVOLVING FUND	

<sup>1/</sup> Variance, dedication fees, assessment fees, etc., collected.



Hawaii Community Development Authority STATEMENT OF EXPENDITURES (For Fiscal Years Ending June 30, 1998)

and June 30, 1999)

		JUNE 30, 1999		JUNE 30, 1998
	OPERATING FUNDS	PROJECT FUNDS	TOTAL	TOTAL EXPENDITURES
PERSONAL SERVICES	112,656	1,035,761	1,148,417	1,314,035
OTHER CURRENT EXPENSES	7,057	25,247,115	25,254,172	19,253,041
EQUIPMENT	-	1,451	Ì	488
TOTAL EXPENDITURES	119,713	26,284,327	26,404,040	20,568,060

AUTHORITY
MEMBERS
(July 1, 1998June 30, 1999)



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Vice Chair

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Public Affairs Advisor Watanabe Ing & Kawashima

Secretary

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Department of Budget and Finance (Served until April 1999)

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Director

Department of Transportation

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Executive Director and Chief Operating Officer Unity House, Incorporated

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State of Hawaii

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